



Michigan  
**Justice for All** Commission

# Civil Legal Aid Funding in Michigan

**Resource Committee**  
Report and Recommendations

Adopted December 2023

## **NOTICE OF DISCLAIMER:**

The Michigan Supreme Court established the Justice for All Commission by Administrative Order 2021-1 to develop recommendations and projects to expand access to and enhance the quality of the civil justice system in Michigan. The opinions and recommendations contained in this document are those of the Justice for All Commission and do not necessarily represent the official position or policies of the Michigan Supreme Court or State Court Administrative Office.

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## Resource Committee Membership

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## Alignment with Commission Goals

The goal of the JFA Commission is to ensure 100% access to justice for people in Michigan. The Justice for All Task Force [Strategic Plan & Inventory Report](#) provides the foundation for the Commission’s strategic goals and tactics. Increased funding for civil legal aid organizations has been identified as a high priority tactic to advance Strategic Pillar 3.



**Strategic Pillar 3:**  
*People can get what they need when they need it to address their problems: a spectrum of easy-to-access affordable legal resources to match individual needs is available to everyone.*

**Outcome Measure:** *People can access the level of assistance needed to resolve their legal problems through an expanded continuum of services.*



**Tactic:** *Seek funding for access to justice improvements, including increased funding for legal aid representation of lower-income individuals*

To date, the Justice for All Commission has received legislative funding for several improvements, including court forms and process simplification, self-help centers and other initiatives related to the civil justice system. This report and the subsequent recommendations focus specifically on the need for resources for civil legal aid in Michigan.

## The Importance of Civil Legal Aid

Over 1.7 million low-income individuals in Michigan have annual income below 125% of the federal poverty guidelines (\$37,500 for a family of four). The 2022 Justice Gap [report](#) published by the Legal Services Corporation (LSC) found the following:

- 74% of low-income households experienced at least one civil legal aid problem in the past year;
- 39% of low-income households experienced five or more civil legal problems in the past year;

- Low-income individuals do not get any or enough legal help for 92% of their substantial civil legal problems;
- Civil legal aid organizations must turn away 1 out of every 2 (49%) requests they receive due to limited resources.

Each day, legal aid programs throughout Michigan must turn away individuals who need help with a civil legal issue and have nowhere else to turn. Well-resourced civil legal aid programs can provide more services to meet the need. However, legal aid organizations need sustainable funding. Approximately 90% of funding for legal aid services covers personnel costs/direct services, so fluctuating funding makes it difficult to maintain adequate staffing levels to help clients.

## Legal Aid in Michigan

The [Michigan State Bar Foundation](#) (MSBF) provides annual funding to several regional and statewide civil legal aid organizations, including:

### REGIONAL

#### Eastern (E)

- Legal Services of Eastern Michigan

#### Metro (M)

- Lakeshore Legal Aid
- Michigan Legal Services

#### Northern (N)

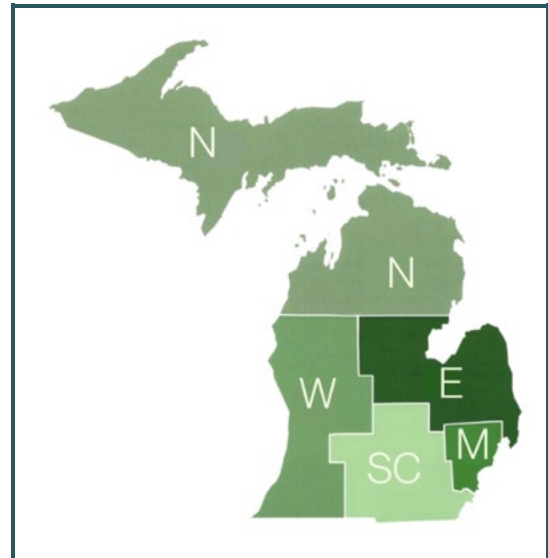
- Legal Services of Northern Michigan

#### South Central (SC)

- Michigan Advocacy Program / Legal Services of South Central Michigan

#### Western (W)

- Legal Aid of Western Michigan



### STATEWIDE

- Counsel and Advocacy Law Line
- Farmworker Legal Services/Michigan Immigrant Rights Center
- Michigan Indian Legal Services
- Michigan Poverty Law Program

The legal aid programs coordinate services through a statewide infrastructure to provide a continuum of legal services. The regional programs work closely with the [Michigan Legal Help](#) program and the Counsel and Advocacy Law Line, which help connect

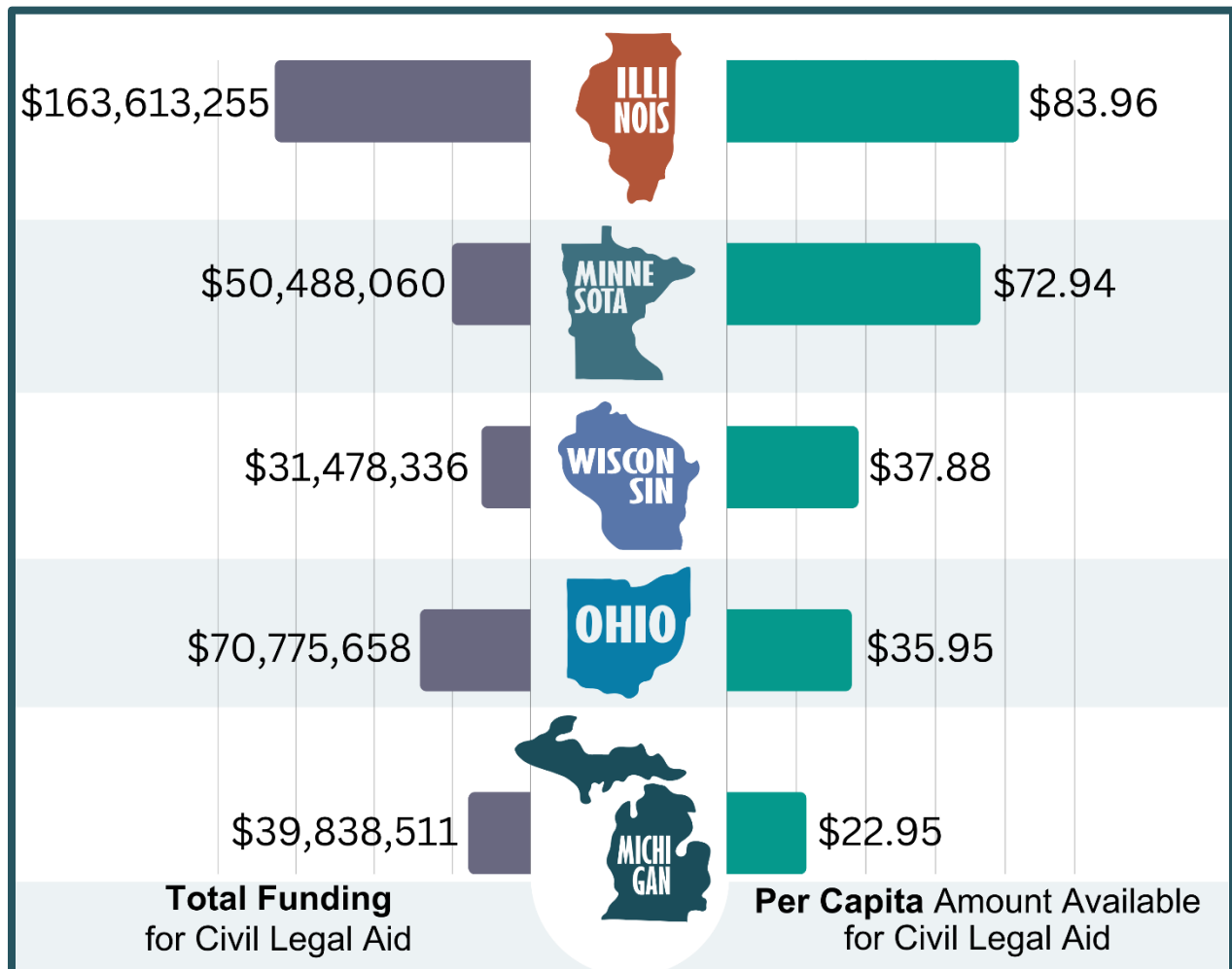
individuals with legal aid providers. Non-profit civil legal aid organizations provide representation when a case is more complex, or an attorney is needed. In 2022, according to the MSBF [Annual Report of Services](#), these legal aid programs completed 57,351 cases for low-income households in Michigan, helping 111,455 people , including 45,594 children.

## National Landscape

The American Bar Association collects information regarding resources available for civil legal aid in each state. This enables states to compare funding amounts and funding streams being utilized for civil legal aid. The states are then ranked by funding and by per capita funding.

### 2020 Data from Other Midwestern States

Michigan’s funding for civil legal aid stands in stark contrast even compared to other Midwest states. The per capita calculations shown below are based on poverty population of 125% of the federal poverty level or below.



In 2020, nationally there was \$2.7 billion dollars spent on civil legal aid, a per capita average of \$45.69. Spending just \$22.95 per person, Michigan ranks 38th out of 50 states in per capita spending and falls far below the national average. If Michigan could reach the national average, it would mean an increase of approximately \$39.4 million in funding to serve low-income families.

## Recommendations

Legal aid organizations are funded through a variety of sources in Michigan, including the Legal Services Corporation, the Michigan State Bar Foundation (filing fees and Interest on Lawyers’ Trust Accounts (IOLTA)), local, state, and federal government grants, foundations, United Ways, and donations from individuals and law firms. The LSC funding comprises approximately 25% of the funding to legal aid organizations in Michigan. Since 2020, legal aid programs in Michigan have received temporary federal stimulus funding to handle evictions, and this has comprised approximately 24% of their overall funding. With this funding source expiring in 2024, it is imperative to increase funding for civil legal aid throughout the state now. The organizations have experienced a decrease in funding from filing fees since the pandemic due a decrease in case filings. The Resource Committee recommends the following to ensure Michigan has the necessary resources to meet the demand for civil legal aid services:

### 1. Increase and Stabilize Annual Filing Fee Funding

Since 1993, Michigan legal aid programs receive a percentage of the state court fund generated by filing fees pursuant to [MCL 600.1485](#). Because this is based on a percentage, the amount of funding fluctuates each year. The amount is low compared to other states and there is no certainty of a minimum level of funding, making stability and continuity of services difficult for legal aid programs. Following is a summary of the amounts received since 2019:

**Michigan Funding for Legal Aid through Filing Fee Statute**

| Year | Amount (\$) to Legal Aid Programs | Percentage Change from 2019 |
|------|-----------------------------------|-----------------------------|
| 2019 | \$6,564,112                       |                             |
| 2020 | \$5,572,128                       | -15.11%                     |
| 2021 | \$5,757,247                       | -12.29%                     |
| 2022 | \$5,391,417                       | <b>-17.87%</b>              |

By comparison, in 2020, filing fee revenue generated over \$12.8 million for civil legal aid in Ohio. The Committee recommends prioritizing efforts to stabilize and, if possible,



increase revenue to legal aid from this source of funding.

## 2. Support Changes to Michigan Rules of Professional Conduct 6.1

The State Bar of Michigan Representative Assembly adopted a [Voluntary Pro Bono Standard](#) in 1990, and amended it in 2012, that interprets the requirements of Michigan Rules of Professional Conduct (MRPC) 6.1. The standard recommends that Michigan lawyers:

1. Provide civil legal services to three clients, or
2. Provide 30 hours of pro bono service, or
3. Contribute \$300 to not-for-profit programs organized for the purposes of delivering civil legal services to low-income individuals or organizations, or \$500 for those lawyers whose income allows a higher contribution.

The American Bar Association Model Rule 6.1 encourages lawyers to provide pro bono legal services AND contribute financial support. The Committee recommends supporting a change to MRPC 6.1 that incorporates the State Bar of Michigan's voluntary pro bono standard into the language of MRPC 6.1. Additionally, MRPC 6.1 should be amended to suggest that lawyers aspire to provide both at least 50 hours of pro bono legal services per year and make a financial contribution of at least \$500 to the Access to Justice Fund to support civil legal aid for low-income families.

The [Access to Justice Campaign](#) is a centralized effort to increase resources for 15 civil legal aid organizations in Michigan. The campaign is administered by the Michigan State Bar Foundation and is a partnership with the State Bar of Michigan. In 2022, the campaign raised over \$1.25 million from the legal community. This amount equates to an average of approximately \$30 per attorney in Michigan. Since centralizing the campaign in 2018, donations have increased, but there is still significant opportunity for growth in the campaign.

Often the best donor prospects for an organization are volunteers. The current voluntary standard in Michigan supports the idea that if someone volunteers, they discharge their obligation to donate. Creating an aspirational goal more in line with the ABA Rule to both volunteer *and* donate would support increased donations to the ATJ Campaign and funding for the provision of civil legal aid in Michigan.

## 3. Seek Additional Sources of Ongoing Funding for Civil Legal Aid

The Committee recommends that additional sources of ongoing funding for civil legal aid be sought and secured. Stakeholder input and support is essential when selecting the appropriate revenue source(s) and is necessary for long-term sustainability.

Potential sources that should be evaluated include but are not limited to:

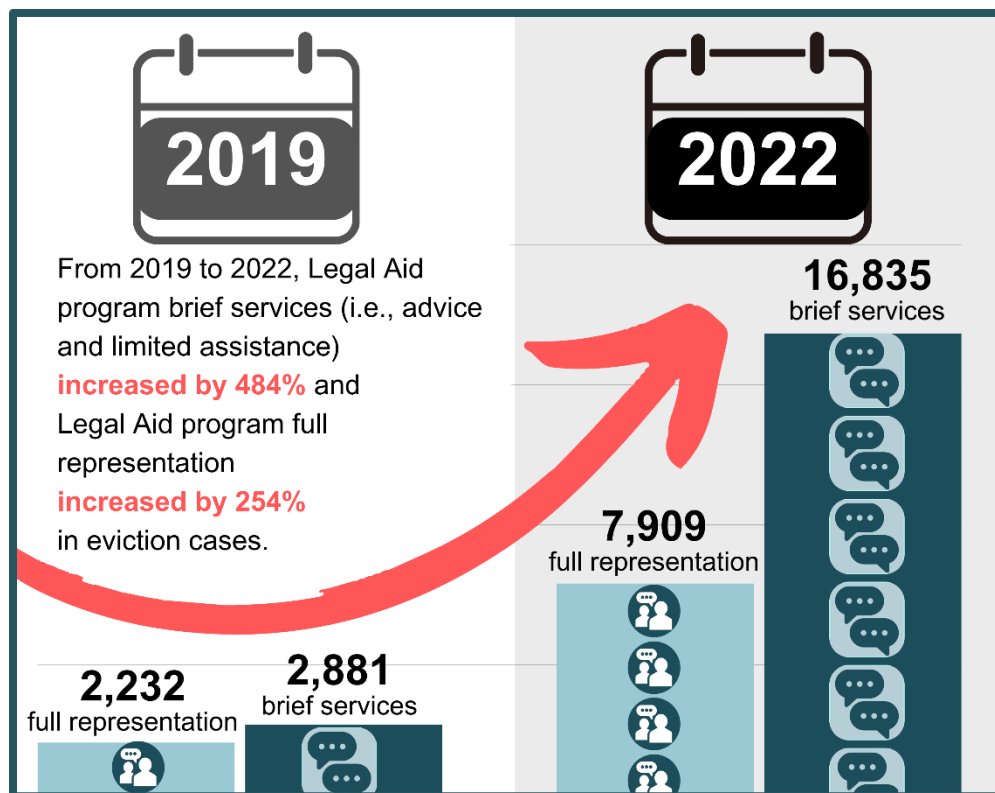
- direct appropriations in the state's annual budget;

- statutory allocation of certain civil penalties and restitution to legal aid (See, e.g., [Tex Gov't Code Ann § 402.007](#));
- increasing IOLTA allocations.

#### 4. Support Continuation and Increased Funding for Civil Legal Aid to Represent Tenants Facing Eviction

Since July 2020, Michigan legal aid programs have received additional funding as part of the statewide eviction diversion program funded through [COVID Emergency Rental Assistance \(CERA\)](#) program. The Michigan State Housing Development Authority contracts with the MSBF to administer CERA funding subgrants to civil legal aid organizations. This funding will expire on December 31, 2024, and currently funds approximately 107 full time positions throughout the state to help tenants facing eviction.

Legal aid services are crucial to maintaining housing stability, and the National Center for State Courts describes legal aid services as a core part of eviction prevention. The organizations providing those services need adequate resources to help maintain communities and housing stability. While the CERA funding received was not enough to fully represent everyone that qualified and needed assistance, it significantly increased legal aid’s ability to provide representation to tenants facing eviction, as follows:



In 2022, legal aid programs funded by the MSBF collected data that demonstrates the success, importance, and efficiency of having legal aid participating in these efforts:

- 96% of the individuals represented by a legal aid attorney achieved a positive result and their eviction was prevented;
- 88% of the cases involving full representation for the tenant, resulted in negotiated settlements with the landlord, achieving a win-win situation for the tenant and landlord.

Continuing and expanding increased representation to households facing evictions is crucial. In 2022, legal aid programs lacked adequate resources to assist 8,944 of the individuals who asked for help and qualified for assistance. The Committee recommends that the Commission support a recommendation for a \$12 million-dollar annual allocation for legal aid organizations to assist low-income households with legal issues, including evictions, directly related to housing stability.